

By way of summary, the FinecoBank Group (the “Group”) provides a wide range of investment services and ancillary services to its customers (the “Services”). This situation, together with the many activities carried out by the Group which include, the provision of credit, placing financial instruments and asset management activities, increases the possibility of conflicts between the interests of the Bank and the interests of the Bank’s customers. In compliance with the conflicts of interest provisions in MiFID FinecoBank SpA (“Fineco”) holding company of the Group:

1. has identified, with reference to the investment services and activities and ancillary services provided by the Group, the circumstances that generate or could generate a conflict of interest that could adversely affect the interests of one or more customers;
2. defined appropriate measures to identify and prevent or manage such conflicts of interest; and
3. established an appropriate system for registering conflicts of interests.

The main activities and interventions put in place by the Group are summarized below for each of the points indicated above.

In order to identify, prevent or manage conflicts of interest, a series of organizational measures have been established including the:

- establishment of organizational barriers between the Group companies and the Group’s divisions even within the same company;
- implementation of internal procedures to regulate the processes for the performance of certain potentially conflicting investment services so as to avoid potential negative effects for customers;
- establishment of hierarchical barriers (separate management of structures that perform conflicting activities) and segregation of functions. In the management of the various types of potential conflicts of interest particular importance has been attributed to the procedures and measures aimed at ensuring that the interests of clients will not be damaged;
- establishment of informational barriers and internal procedures aimed at preventing or controlling the exchange of information which might conflict with our clients’ interests.

The Group and the Bank have adopted an organizational model based on a structure that includes companies specializing in different businesses and, moreover, business segments specialized on a specific type of customer.

This approach is reflected both in the hierarchical independence of each manager who takes decisions within predetermined parameters, and in a managerial and informative separation of the various companies and / or divisions of the Group, thus protecting the faculty to assume the autonomous decisions by the parties involved in the provision of the Services.

The Bank, has adopted a Remuneration Policy, approved by the Board of directors and the Shareholders’ Meeting, which establishes principles to ensure that the incentive mechanisms for staff are not contrary to the best interest of clients.

In addition, the formation of a specific company responsible for Asset Management meets the need to further improve the separation of functions between the production and distribution of the managed savings products.

As a further organizational measure to handle conflicts of interest, the Compliance department which provides independent guidelines and control – has been given the task of identifying and defining the methods with which to manage potential conflicts of interest within the Group.

The Group have adopted a Code of Conduct, which sets out the legal and ethical standards that the Bank follows in order to protect the interests of customers, mitigate risks, comply with the rules of financial regulators, ensure market transparency, and to safeguard confidential information.

The Bank has adopted specific policies and processes for the provision of services including:

- a process aimed at ensuring consistency with external and internal regulation of products, services and commercial initiatives offered to the Bank’s customers, after an assessment of the operational impact, overall risk and reputational implications;
- a Product Governance policy considering the best interests of customers at all stages of the product life cycle, both when the Bank operates as a producer and when the Bank distributes third party products;
- a Pricing Policy aimed at establishing the criteria for determining the prices of the services and products;
- a Execution / Transmission Policy aimed at informing customers on the choices made by the Bank on the methods of trading the various financial instruments;
- a authorization process for Outside Business Interests aimed at identifying and managing personal intersections of employees that could conflict with the interests of the Bank and / or its customers; and
- procedures for assessing the compliance of the incentives received by the Bank in providing investment services.

In cases where the measures taken to manage conflicts of interest are not considered sufficient to ensure, with reasonable certainty, that the risk of harming the interests of customers is avoided, the Bank:

- may decide not to provide the service; or
- may, where permitted under MiFID inform the client of the nature of the conflict and the measures that will be taken to mitigate the conflict so that the customer can make an informed decision about whether to proceed.

The Bank has also allowed for the keeping of a register of situations where a conflict of interests arose or could arise, with the risk of a negative impact on the interests of one or more clients.

At the customer’s request, the Bank will be able to provide more details about this conflict of interest policy.